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THE STATE OF ALABAMA,)
COUNTY OF SHELBY.)

THIS CONTRACT AND AGREEMENT, made and entered into this the 1st day of September, 1964, by and between Burgess A. Thomasson and wife, Ellen L. Thomasson, and Albert F. Thomasson, unmarried, parties of the first part, hereinafter called the LESSORS and SHOOK & FLETCHER SUPPLY COMPANY, a Delaware Corporation, having its principal office and place of business in the City of Birmingham, Alabama, party of the second part, hereinafter called the LESSEE:

W I T N E S S E T H:

WHEREAS, the LESSORS own the following described real estate, situated in Shelby County, Alabama, to-wit:

A part of SE $\frac{1}{4}$, beginning at point 1655 feet west of Huntsville Meridian and 1427 feet north of south line of Section 13, run south 64° 19' east 550 feet; thence north 25° 41' east 710 feet; north 64° 10' west 300 feet; thence north 42° 11' east 700 feet; thence north 77° 25' west 442.6 feet; thence south 25° 41' west 710 feet to beginning, (12.03 acres) situated in Section 13, Township 22, Range 1 West.

A lot in N $\frac{1}{2}$ of SE $\frac{1}{4}$, beginning 2048 feet west of Huntsville Meridian and 1342 feet north of south line Section 13 run south 43° 46' east 204.4 feet; thence south 1° 41' west 271.2 feet; thence south 69° 54' west 175.7 feet; thence north 66° 52' west 223.2 feet; thence north 31° 1' east 458 feet to beginning, (2.50 acres) situated in Section 13, Township 22, Range 1 West.

A lot in W $\frac{1}{2}$ of SE $\frac{1}{4}$, beginning 1655 feet west of Huntsville Meridian and 1427 feet north of south line Section 13 run south 64° 10' east 158 feet for beginning; south 64° 10' east 15.5 feet; thence north 68° 40' west 455 feet; thence north 43° 46' west 12.50 feet; thence north 68° 40' east 449 feet to beginning (1/8 acre) situated in Section 13, Township 22, Range 1 West.

A part of Section 13, Township 22, Range 1 West and Section 18, Township 22, Range 1 East, bounded by a line beginning at northwest corner of SW $\frac{1}{4}$ of NE $\frac{1}{4}$; thence south along west line 215.5 feet; thence south 44° 30' west 824.5 feet; thence south 84° 30' west 1450.5 feet to point on east boundary of railroad right of way; thence continue south 84° 30' west 40 feet to center line of railroad; along center line south 15° 45' east 707 feet; thence south 22° 15' east 295 4 feet; thence south 28° 45' east 326.3 feet; thence south 35° 15' east 344 feet; thence south 41° 45' east 297 feet; thence south 46° 30' east 654 feet; thence continue north 43° 30' east 40 feet to east boundary of railroad right of way; thence north 3° 45' east 402 feet; thence north 86° 15' west 237.9 feet; thence north 3° 45' east 219 feet; thence north 83° 45' east 375 feet; thence

south 63° 15' east 563.7 feet; thence north 18° east 354.7 feet; thence north 61° 15' east 231.6 feet; thence south 76° 15' east 225.4 feet; thence south 59° 30' east 211 feet; thence south 41° 21' east 172 feet; thence south 51° 35' east 165 feet; thence north 65° 30' east 452.8 feet; thence north 66° west 158 feet; thence north 23° 30' east 711.5 feet; thence north 46° 44' east 443.1 feet; thence north 61° east 300 feet; thence south 79° 30' east 100 feet; thence south 40° 30' west 700 feet; thence south 66° east 300 feet; thence south 23° 30' west 401 8 feet; thence north 84° 30' east 982.6 feet to point on east line Section 15; thence north along east side Section 15; thence north along east line Section 13 to Northeast corner of NE $\frac{1}{4}$ of SE $\frac{1}{4}$; thence east along south line of said SW $\frac{1}{4}$ of NW $\frac{1}{4}$ to point 400 feet west of southeast corner; thence north 3° 30' west 600 feet; thence north 3° 30' west 600 feet; thence north 87 degrees 55' east 285 feet to point on west side Col-Shelby Highway; thence along west line of highway north 10° 45' west 730 feet to point on north line of SW $\frac{1}{4}$ of NW $\frac{1}{4}$; thence west along line 1122 feet to northwest corner of SW $\frac{1}{4}$ of NW $\frac{1}{4}$; thence west along north line of SE $\frac{1}{4}$ of NE $\frac{1}{4}$ Section 13, 415.9 feet; thence north 30' east 420.4 feet; thence south 85° 15' west 943 feet; thence south 1° 45' east 449.4 feet to northwest corner of SE $\frac{1}{4}$ of NE $\frac{1}{4}$ Section 13; thence west along north line of SW $\frac{1}{4}$ of NE $\frac{1}{4}$ 1320 feet to beginning.

WHEREAS, the LESSEE wishes to mine and market the iron ore in, on and under the above described property, and the LESSORS are willing to grant unto the LESSEE the exclusive right to mine and market said iron ore from said lands under conditions mutually satisfactory to the LESSORS and to the LESSEE.

NOW, THEREFORE, the LESSORS, in consideration of the premises, and in consideration of ONE DOLLAR (\$1.00) to them in hand paid by the LESSEE, the receipt of which is hereby acknowledged, do hereby grant unto the LESSEE the exclusive right to mine, wash, prepare for market and market the iron ore contained in the above described land, together with the right to place thereon facilities and implements necessary for the mining, washing, preparation, transportation and marketing of iron ore, and also the right to use all of the above described property in any way for such purpose, subject to the conditions and limitations as may be hereinafter set out.

The LESSEE shall pay as royalty to the LESSORS for all iron ore mined by the LESSEE from the lands above described, a royalty of sixty cents (60¢) for each gross ton, dry basis, of 2,240 pounds; provided, however, such royalty shall not be less than \$600.00 per month which amount is fixed as the minimum royalty

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during the life of this lease. If during any month or months any payment or payments shall be made on account of minimum royalty in excess of amount due hereunder for ore actually mined; LESSEE shall receive credit on ore in excess of 1000 tons shipped in any month or months thereafter for the amount overpaid as minimum on account of failure to ship as much as 1000 tons in any preceding month of the term hereof.

The said royalty shall be paid on accepted ore, or, in other words, no royalty shall be paid on ore that is rejected by furnace companies or customers of the LESSEE, to whom LESSEE shall have shipped the same, the intent of this agreement as to royalties being that the LESSEE shall pay royalty as provided herein, only on such ore as it, the LESSEE, receives payment for from its customers. The payment of said royalty shall be made by the LESSEE to the LESSORS, or their nominees, on or before the twenty-fifth (25th) day of each calendar month for all ore delivered and credited during the preceding calendar month. The LESSEE, on or before the twenty-fifth (25th) day of each calendar month, shall furnish the LESSORS a statement indicating the weight of iron ore mined by the LESSEE during the preceding calendar month from the above described land. The payments of royalty, as above provided, shall be based on statements furnished by the LESSEE, said statements being subject to verification by the LESSORS, as they may from time to time desire, as hereinafter provided. It is understood and agreed that these statements shall give the weights of iron ore as furnished by the customers of the LESSEE, ordinarily known as furnace weights, or weights at destination, and these weights shall govern settlement.

The LESSORS, for the purpose of verifying statements furnished by LESSEE, shall have access at any and all times to the tonnage records of the LESSEE.

LESSORS grant to the LESSEE the right to use and dispose of all timber, stone, gravel and water upon the leased land, necessary for or useful in the development, working and mining of said iron ore, and in the preparation of same for market and the removal of.

same, and the right to build dams, pipe lines, runways and sluices, and to impound water upon or to flood said lands; to build and operate washers and the other means and appliances for preparing said iron ore for market, and the right to deposit thereon muck and other materials separated from such iron ore, in the mining, washing and otherwise preparing the same for market by such processes and in such manner as to said LESSEE shall seem desirable, and to do all things necessary, desirable or incident to the mining, washing, preparing for market and removing all iron ore from, on, under or upon said lands, including the right to operate and maintain such engines, steam shovels, power shovels, electric transmission lines, motors and dynamos, washers, jigs and mining machinery and equipment of all kinds, dams, tanks, muck ponds, water ponds, tool houses and other buildings, including all houses needful or useful to the LESSEE in such mining; and also the right to build and maintain thereon railroads, tram roads, pipe lines, transmission lines and all other things needful or useful in the mining, preparing for market and removing therefrom the said iron ore, for and during the term of this lease, or any renewal or extension thereof.

No timber shall be cut on said land by the LESSEE that is not necessary for mining operations, and in any event, before cutting any timber on said land, the LESSEE shall notify the LESSORS in writing at least sixty (60) days before cutting any timber, and during said sixty days, the LESSOR may cut and remove said timber, but on their failure to do so, the LESSEE shall then have the right to cut and remove such timber as may be necessary for its mining operations, or such as may be in the way of its mining operations.

The LESSORS shall, in accordance with law, return for taxes all interests owned by them in the said lands, and shall pay all taxes or charges in the nature of taxes in connection therewith, except the so-called tonnage, severance or depletion tax, payable to the State of Alabama, which said tax shall be paid by LESSEE.

The LESSORS shall not be held liable for any claim for

damage which may accrue, during the term of this lease or within twelve months after the termination thereof, on account of loss of life, injury to person or damage to or destruction of property resulting from the mining, washing or marketing of said iron ore. The said LESSEE shall indemnify and hold harmless the LESSORS against any and all such claims, and without limiting the foregoing, if any suit shall be brought against the LESSORS, alone or jointly with LESSEE, in which suit it is charged or claimed in substance that the plaintiff therein has been damaged as a result of deposit on it or his property of water, debris, or other material coming from the leased land, LESSEE will take charge of the defense of such suit and will hold the LESSORS harmless against the cost of expense of the defense thereof, as well as against any judgment which may be rendered therein.

In the event that the quantity or supply of iron ore contained in said land should become so exhausted, or the quality should deteriorate to the extent that it cannot be mined with reasonable profit, the LESSEE to be the sole judge as to when and what extent these conditions obtain, the LESSEE shall have the right to discontinue mining said ore by giving to LESSORS one month's written notice of the intention so to do, and on the expiration of one month from the receipt of such notice by the LESSORS, this agreement shall cease and determine.

This agreement shall be in effect for a period of five years beginning the 1st day of September, 1964, and ending with the 31st day of August, 1969, unless earlier terminated as herein otherwise provided; but if the agreement terminates by lapse of time with the last mentioned date, and not on account of a breach of the terms and conditions hereof, the LESSEE is granted the right to renew this agreement for an additional five year period of time thereafter on the same terms and conditions as are herein set out, by giving to LESSORS ninety (90) days written notice, prior to the termination, of its intention so to do.

It is agreed between the parties hereto, that the LESSEE shall have the right for a period of four months from September 1st, 1964, to conduct such further or additional exploration or prospecting that it may deem desirable on the property hereby leased, and to carry on negotiations for the contracting or sale of the iron ore contemplated to be produced under this lease; and if, as a result of these further negotiations or efforts, the LESSEE should decide that it does not desire to proceed with the development, or the installation of a plant and equipment, or to carry on an operation under this lease, it, the LESSEE, may so advise the LESSORS by notice in writing, on or before the 31st day of December, 1964, of its decision and shall in that event be relieved of any and all further liability under this lease. The LESSEE agrees that on or before December 31st, 1964, it will notify the LESSORS in writing whether or not it has decided to carry on a mining operation on the above described property. If at such time the LESSEE decides not to carry on a mining operation on said property, and it fails to notify LESSORS of its decision on or before December 31st, 1964, this lease shall become null and void and all rights of the LESSEE hereunder shall cease and determine.

At the termination of this agreement for any cause whatever, the LESSORS hereby grant to LESSEE the right to remove from said land, within twelve months from said termination, all property, facilities or improvements belonging to the LESSEE, including any stock or ore or tailings, the right so granted being subject to the condition that the LESSEE shall have complied with all its obligations hereunder, it being understood that the LESSORS hereby expressly reserve a lien on said property, facilities or improvements, for the faithful performance of said obligations.

LESSORS do, for themselves and for their heirs, executors and administrators, covenant with the LESSEE, its successors and assigns, that they are lawfully seized in fee simple of the said property above described; that said premises are free from all in-

cumbrance, and that they have a good right to lease the same and to grant to LESSEE the rights and privileges therein as aforesaid; and, if it, the LESSEE, performs all of the obligations required of it herein, the LESSEE shall, and may peaceably have, hold and enjoy the demised premises for the term aforesaid and for the term of any renewal hereof, and the LESSORS, their heirs, executors and administrators shall warrant and defend the title to all ore mined and also the possession of the leased premises, and the rights and privileges herein granted, for and during the term of this lease and any renewal thereof.

This agreement and the covenants and the conditions herein contained shall be binding upon, and shall inure to the benefit of the parties hereto, respectively, and their successors, heirs, executors, administrators and assigns, respectively.

IN WITNESS WHEREOF, the parties hereto have executed these presents, in duplicate, this the 1st day of September, 1964.

Burgess A. Thomasson (SEAL)
Burgess A. Thomasson, Lessor

Ellen L. Thomasson (SEAL)
Ellen L. Thomasson, Lessor

Albert F. Thomasson (SEAL)
Albert F. Thomasson, Lessor

SHOOK & FLETCHER SUPPLY COMPANY

By [Signature] (SEAL)
Its V. P., Lessee

ATTEST:

[Signature]
Secretary

STATE OF

COUNTY

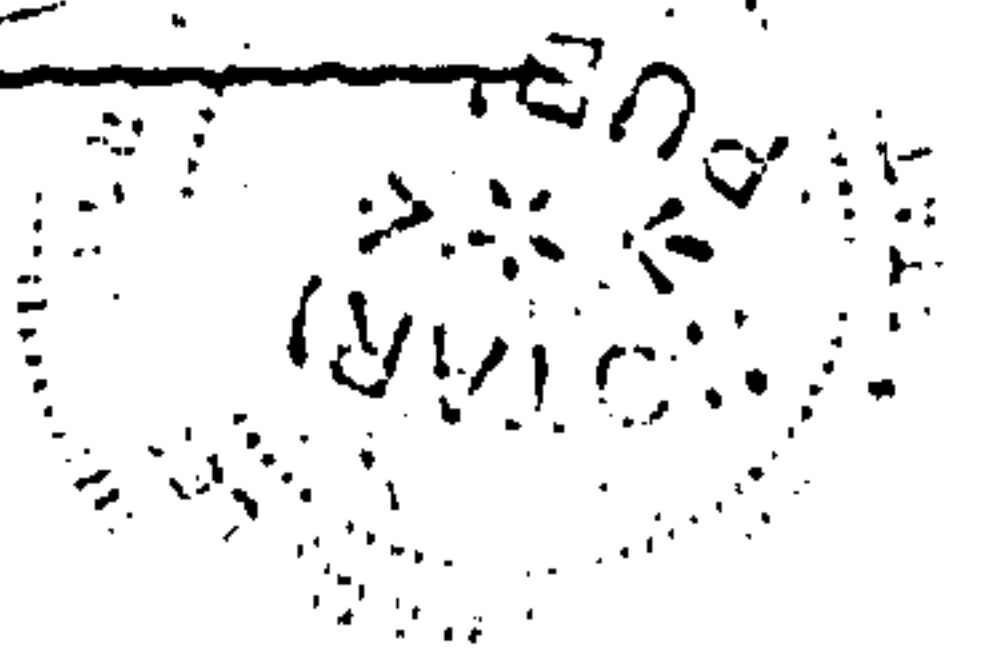
I, [Signature], a Notary Public in and for said county, in said state, hereby certify that Burgess A.

Thomasson and Ellen L. Thomasson, whose names are signed to the foregoing instrument, and who are known to me, acknowledged before me on this day that, being informed of the contents of said instrument, they executed the same voluntarily on the day the same bears date.

Given under my hand and official seal this the 1st day of September, 1964.

STATE OF ALA. SHELBY CO.
I CERTIFY THIS INSTRUMENT
WAS FILED ON 10/6 1964
RECORDED & INDEXED
PD. OFF

[Signature]
Notary Public



I, [Signature], a Notary Public in and for said county, in said state, hereby certify that Albert F.

Thomasson, unmarried, whose name is signed to the foregoing instrument, and who is known to me, acknowledged before me on this day that, being informed of the contents of said instrument, he executed the same voluntarily on the day the same bears date.

Given under my hand and official seal this the 1st day of September, 1964.

[Signature]
Notary Public



STATE OF ALABAMA)
JEFFERSON COUNTY)

I, Lena V. Kelly, a Notary Public, in and for said county, in said state, hereby certify that A. M. Shook, III, whose name as Vice-President of Shook & Fletcher Supply Company, a corporation, is signed to the foregoing instrument, and who is known to me, acknowledged before me on this day that, being informed of the contents of said instrument, he as such officer, and with full authority, executed the same voluntarily on the day the same bears date, for and as the act of said corporation.

Given under my hand and official seal this the 1st day of September, 1964.

[Signature]
Notary Public

My Commission Expires July 1, 1968

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